AROUND THE WORLD

Fiat holds midyear lead in Europe

New Tipo helps Italian maker top VW; Peugeot in 3rd place

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Fiat Auto is clinging to first place in a European new-car market that after six months has defied predictions of a decline.

Fiat also held first place midway through 1987, but surrendered the top spot to Volkswagen in September. The West German group went on to finish No. 1 in Europe for the third straight year.

The differences this year, analysts say, are the slight downturn in VW's West German domestic market and Fiat's introduction of the subcompact Tipo in a segment where it was extremely weak last year.

Aside from the battle for first place, the biggest story in the first half of 1988 was the emergence of Peugeot S.A. as an unchallenged No. 3.

Six months ago, most analysts forecast a drop in 1988 from the record European sales of more than 12.4 million units last year. But through June, new-car sales in the 17 Western European nations increased 5.1 percent to 6,843,400, according to industry estimates compiled by Automotive News. Most auto companies are now projecting that 1988's sales will be at least as high as last year's.

Some alarms went off when April showed the first monthly decline since January 1987. But European sales increased in both May and June over the year-ago totals. Industry volume was up 2.5 percent last month, with only West Germany, among the four major markets, registering a decline.

Fiat, including Alfa Romeo and Lancia, held first place through the entire six-month period. Through June, car sales for the Italian group totaled 1,066,900, an increase of 8 percent over last year and good for 15.6 percent of the market.

Alfa was up 15.5 percent to 119,300 for the first six months. The marque has benefited from the introduction of its 164 sedan in Italy, where sales have jumped nearly 20 percent. The big Alfa will be introduced in other European markets starting early this autumn.

Overall, Fiat is maintaining its 60 percent share in an Italian market that was up 8.5 percent for the first half. The Tipo, which was introduced in Italy earlier this year, is expected to boost Fiat's drive for No. 1 as it is launched in other European countries. The Tipo competes directly with VW's Golf, the best-selling car in Europe.

Second-place VW held 14.6 percent of the European market through June with volume of 996,100, a 2.8 percent increase over last year. VW has slipped some in West Germany, where it is the leader with nearly 30 percent of the market. VW sales in the home market were off 3.7 percent for the first half, while total sales in Germany were down 1.7 percent.

Across Europe, the VW brand is about even with 1987's pace. However, wider introduction of the new Passat intermediate in the second half should spark VW figures.

VW's Audi unit rose almost 7 percent and the Seat brand improved just over 9 percent in the first six months.

Peugeot SA, including Peugeot and Citroen, has grown far faster than any other major producer in Europe this year. Sales in the first half ran 15.5 percent ahead of the 1987 period, with unit volume for the French group at 868,700.

Peugeot outperformed its French domestic market, increasing its first-place market share at home to nearly 36 percent in the first half, compared with 33.5 percent in the first six months of 1987.

Automobiles Peugeot sales — buoyed by the new 405 compact — increased 20.5 percent in Europe during the first half and show no signs of slowing down. In June alone, the Peugeot brand improved 28.5 percent in Europe.

Peugeot S.A.'s 12.7 percent share gives it a firm grasp on third place over Ford, which was stalled in February by a lengthy strike in the United Kingdom that affected Ford's entire European operations.

Ford's sales amounted to 776,800 units through June, an 11.4 percent share and up less than 1 percent for the period. Ford's first-place share in the United Kingdom dropped from 29 percent for the first six months of 1987 to just under 27 percent.

With Austin Rover also down in the United Kingdom, General Motors' third-place Vauxhall and fourth-place Peugeot SA have gained considerable ground in Britain.

Throughout Europe, GM was up 2.4 percent to 729,100 units for the first half and held a 10.7 percent share. Sixth-place Renault had 10.1 percent of the market on sales of 688,000, a 2.1 percent increase.

Among other makes, BMW — on the strength of its new 5- and 7-series models and strong 3-series performance in West Germany — was up 14.6 percent for the year to 179,300.

Japanese makers kept pace with overall European market growth. Combined sales increased 4.7 percent to 754,300, good for an 11 percent share. Nissan remained the best-selling Japanese brand at 193,500 units for the first half, giving it a 2.8 percent share and a 7.2 percent improvement over last year.

Among national markets, West Germany's 1.7 percent decline to 1,471,500 units in the first half was in line with projections for a slight tail-off to 2.7 million units this year, after a record 2.9 million registrations in 1987.

But the other three major markets — Italy, France and the United Kingdom — are all on target to reach two million units, while Spain climbs to one million for the first time in its history.

Through June, Italy was No. 2 with 1,239,100 car sales, the United Kingdom was third with 1,104,900, up 10.2 percent, and France was fourth at 1,049,900, a gain of 5.5 percent.

Spain's dramatic surge is now nearly two years old and shows little sign of fading. Sales declined in April, but last month the Spanish market rose 22 percent. Sales for the first half were up 17.5 percent to 538,900.

EUROPEAN SALES

Manufacturer	6 months 1988	1988 share*	6 months 1987	Change 88 vs 87
Fiat Group**	1,066,900	15.6	997,500	+ 6.0
VW-Audi-Seat	996,100	14.6	969,200	+ 2.8
PSA***	868,700	12.7	752,100	+15.5
Ford	776,800	11.4	770,800	+ 0.8
General Motors****	729,100	10.7	711,800	+ 2.4
Renault	688,000	10.1	674,000	+ 2.1
Mercedes-Benz	238,000	3.5	225,600	+ 5.5
Austin Rover	228,600	3.3	217,700	+ 5.0
Nissan	193,500	2.8	180,500	+ 7.2
Toyota	179,800	2.6	178,500	+ 0.7
BMW	179,300	2.6	156,400	+14.6
Volvo	143,300	2.1	145,100	– 1.3
Mazda	132,000	1.9	123,300	+ 7.0
Mitsubishi	79,600	1.2	82,500	– 3.6
Honda	75,100	1.1	69,000	+ 9.4
Others	297,000	3.9	287,000	+ 0.5
Total	6,843,400	100.0	6,510,800	+ 5.1

* Total does not add up to 100 percent because of rounding
** Includes Alfa Romeo
*** Peugeot, Citroen, Talbot
**** Opel, Vauxhall, Isuzu, GM-U.S./Canada

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	6 mos. 1988	Percent ch./loss
West Germany	1,471,500	– 1.7
Italy	1,239,100	+ 8.5
United Kingdom	1,104,900	+10.2
France	1,049,900	+ 5.5
Spain	538,900	+17.5
Netherlands	312,900	– 12.4
Belgium-Luxembourg	275,000	+ 9.5
Switzerland	182,800	+ 8.1
Sweden	178,900	+ 9.4
Austria	140,200	+ 7.0
Finland	97,400	+15.0
Portugal	96,100	+48.1
Denmark	53,200	–24.3
Ireland	38,900	+11.2
Norway	37,100	–41.3
Greece	26,600	+ 8.4
Total	6,843,400	+ 5.1

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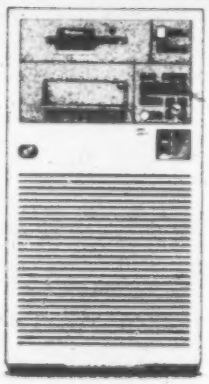

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COVER STORY

Managers high on service biz

But fewer expect auto market to improve in the next two years

The nation's dealer service managers are less bullish about the automobile market today than at any time in the past four years.

But they are more optimistic about the outlook for future business at their own dealerships than they were a year ago.

These are among the findings of the fifth annual nationwide survey of dealer service managers, conducted by *Automotive News* last month.

Only 44.3 percent of those polled said they expect the business outlook for the automobile market will improve during the next two years. That is the lowest "improvement" response in the five-year history of the survey, and the first time it has dropped below 50 percent.

Major reasons given by those who do not expect auto sales to climb include: an economic downturn following this year's elections; an expected recession by 1990; rising car prices; and longer car ownership by customers.

Noted a service manager in Orlando, Fla.: "Business has been very strong for five years now. But I'm starting to sense saturation in the marketplace."

However, 78.4 percent of those surveyed indicated they believe business at their dealerships will improve over the next two years. That is up from 74.3 percent a year ago.

Reasons cited for increased dealership business include: better vehicle quality to attract customers; more parts and service work; more efficient operations by dealerships; and a trend by car owners toward having franchised dealers, rather than independents, do repairs.

A service manager in Oklahoma City said: "I feel the competition by imports has brought up the quality of domestic cars. When quality by all car manufacturers increases, it will lead to more sales. And more sales means more service business."

Well over 90 percent of service managers said they and their dealership management believe the service department offers a potential for increased profits in the future.

A typical comment on that subject came from a service manager in Cincinnati: "Our service department has set a goal of working toward greater productivity and profitability, while maintaining integrity and customer trust."

Only 67.5 percent believe their dealerships are spending enough on advertising and promotion to improve their service business.

A service manager in Gulf Port, Miss., noted: "With competition as competitive as it is, you can't do too much advertising or coupon mailing."

A new service manager in Washington, D.C. said: "I've made a change at the dealership. We're advertising weekly, and business is growing."

According to the survey, tuneups continue to be the most profitable service operation, followed by brake and transmission work. The least profitable operation continues to be wheel balancing, followed by engine overhaul and body shop work.

A service manager in Phoenix said: "Tuneups require a specialist today. The independents are having a difficult time keeping up in this field, so there is less competition."

Another in Rock Island, Ill., said: "Manufacturer quality of original-equipment pads and rotors in our area seems to result in short brake life. We have set up two complete brake lathes in one shop, and one in a second shop, and can really do the work fast."

The most significant generator of business, according to service managers, is general customer drive-in. This is followed by new-car warranty work, offering of special service packages and extended service contracts.

Among those surveyed, 58.8 percent said their dealerships will purchase service equipment this year.

Exactly 57 percent said they will buy computerized diagnostic equipment in 1988 (37.7 percent consoles, 19.3 percent hand-held). Major interest also was indicated for wheel alignment equipment (31.6 percent).

The increasingly important role of the service manager in the dealership's acquisition of shop equipment shows through in this year's survey. All phases of equipment purchasing — originating the purchase request, giving advice on equipment needs, approving makes of equipment purchased and negotiating terms — show greater involvement by service managers this year than last year.

In fact, an all-time high 32.1 percent said they now participate in negotiating terms of the shop equipment bought by their dealerships.

Indicating a trend toward longer service department hours, 13.9 percent of the managers said their shops are open more than 60 hours a week. That is up from 4.2 percent in 1987 and 2.0 percent in 1986.

Also on the rise is service department employment. This year, 17.5 percent of the managers said they have more than 40 people working in their shops. That compares to 6.9 percent last year.

Also up, to 11.3 percent this year from 6.9 percent last year, are departments with 31 to 40 employees.

Service managers are increasingly assuming responsibility for hiring their dealerships' technicians. Four years ago, 85.7 percent said they did the hiring. The number climbed to 92.3 percent this year.

In contrast, dealership owners (11.3 percent) are doing less of the technician hiring now than during any of the five years in which the survey has been conducted.

A service manager in Wilmington, Del., said: "I'm responsible for the department. I know my people better than anyone else. I feel I have the best opportunity to make the right choices."

Another in Atlanta, Ga., said: "I know who and what I need. Experienced people are easy for me to spot. I train and supervise my people."

Asked whether finding competent technicians today is more difficult than a year ago, 71.1 percent of the service managers said yes.

Said a Reno, Nev., service manager: "The work force is not keeping up with the technical aspects of auto repair. Vocational and technical schools are not keeping up either."

Another in Long Island, N.Y., said: "Competent service technicians are nearly impossible to find. Experienced technicians do not leave their jobs anymore because of seniority, profit sharing and vacations. And while the need for technicians is great, fewer and fewer people want to become technicians."

On the other hand, there is a definite move toward higher monetary compensation for service managers.

In 1984 and 1985, most service managers (27.0 and 24.1 percent, respectively) had annual incomes in the $25,000 to $29,999 range. In 1986, most of them (20.8 percent) were in the $35,000 to $39,999 bracket.

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COMING AUG. 22: AUTOMOTIVE NEWS SHOWROOM PROFITS EXTRA

Industry Editor
Al Fleming

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Automotive News Survey of Dealer Service Managers

Note: Figures indicate percent of total responses for each question, each year; in some cases, totals do not add to 100 percent because either multiple responses to a question were given or no response was given. Blank areas indicate questions that are new to this year's survey.

Question 1: What do you consider the business outlook to be for the automobile market in general and your dealership specifically for the next two years?

Automobile Market	1988	1987	1986	1985	1984
Improve	44.3	50.0	61.2	64.9	69.7
Same	39.2	27.9	32.6	25.7	7.6
Worse	12.4	22.1	6.2	9.4	2.7
Dealership					
Improve	78.4	74.3	88.0	86.9	92.1
Same	16.5	20.0	8.0	10.2	5.3
Worse	1.5	5.7	4.0	2.9	2.6

Question 2: Do you, as a service manager, feel that your service department offers a potential for increased profits in the future?

	1988	1987	1986	1985	1984
Yes	94.8	94.4	98.0	98.6	97.2
No	5.2	5.6	2.0	1.4	2.8

Question 3: Do you feel that your dealership management believes the service department offers the potential for increased profits in the future?

	1988	1987	1986	1985	1984
Yes	92.8	90.0	96.0	97.1	94.4
No	6.2	10.0	4.0	2.9	5.6

Question 4: Do you, as a service manager, believe your dealership is spending enough on advertising and promotion to improve your service business?

	1988	1987	1986	1985	1984
Yes	67.5	62.5	74.0	72.3	74.3
No	30.4	37.5	26.0	27.7	25.7

Question 5: Who hires the service technicians in your service department?

	1988	1987	1986	1985	1984
Dealership owner	11.3	18.1	15.5	15.7	17.8
Dealership manager	5.7	2.7	2.9	5.7	6.7
Service manager	92.3	91.7	88.9	87.6	85.7
Other	10.8				

Question 6: Compared to last year, finding competent service technicians today is:

	1988
Less Difficult	3.1
Same	23.7
More Difficult	71.1

Question 7: Do you have women service technicians?

	1988
Yes	5.2
No	92.3

Question 8: When your dealership buys new service equipment and services, are you involved?

	1988	1987	1986	1985	1984
Yes	96.4	100.0	100.0	100.0	97.2
No	3.6	0.0	0.0	0.0	2.8

If yes, which one statement below best describes your involvement?

	1988		1986	1985	1984
Originate purchase request	57.8		62.0	62.9	39.9
Approve make(s) selected	47.6	3	48.0	38.6	24.3
Negotiate terms	32.1	19	28.0	22.9	3.7
Give advice on needs	49.2	47	58.0	37.1	53.5

Question 9: Does your dealership plan to buy any service equipment this year?

	1988	1987	1986	1985	1984
Yes	58.8	59.2	55.0	61.5	69.4
No	38.1	40.8	45.0	38.5	30.6

If so, what type?

	1988	1987	1986	1985	1984
Tuneup	15.8	30.9	24.5	21.4	27.7
Wheel alignment	31.6	21.4	26.4	18.6	21.3
Wheel balance	12.3	14.3	11.8	10.0	14.9
Brakes	15.8	11.9	7.1	5.6	10.6
Transmissions	7.0	9.5	2.9	1.8	4.3
Engine overhaul	1.8	9.5	3.7	2.9	2.1
Refinishing	14.0	9.5	1.8	—	—
Frame-body straightening	7.0	7.1	10.8	10.0	12.8
Computerized diagnostic (console)	37.7				
Computerized diagnostic (hand-held)	19.3				
Other	25.4	40.5	30.0	29.7	26.3

Question 10: Are 1988-model cars more profitable to service than those of previous years?

	1988	1987	1986	1985	1984
Yes	8.2	12.5	13.7	11.4	11.8
No	43.6	40.3	50.9	54.3	52.9
Same	46.4	47.2	35.4	34.3	35.3

Question 11: Are 1988-model cars more difficult to service than those of previous years?

	1988
Yes	40.7
No	25.3
Same	33.0

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COVER STORY

Continued from page E2

The upward spiral really spurted in 1987 when 21.1 percent of those surveyed indicated their incomes were $50,000 or more. This year the figure jumped to 25.8 percent.

In most cases (42.8 percent), compensation is comprised of salary and bonus.

As was the case the previous two years, most service managers this year (20.6 percent) are in the 35-to-39 age bracket. And most (24.9 percent) have been service managers for less than three years.

Perhaps this is why most service managers (62.9 percent, the highest figure since 1984) now believe their salaries and benefits are commensurate with their experience. ■

Shop is still a man's world

Auto dealership service departments remain very much a man's world. Only 5.2 percent of service managers responding to the *Automotive News* survey said they have women technicians in their shops.

Service bosses across the country cited two main reasons for an absence of female mechanics: qualified women technicians are not available; few if any women apply for service technician jobs.

"There's none available. I'd hire one tomorrow," said Dave Kulig, service and parts director, Warnock Ford Country, Morristown, N.J.

Noted a service manager in St. Louis: "I have not had the opportunity to speak with an applicant of the feminine gender."

Another in the Detroit metro area observed: "I did have one woman apprentice, but she relocated. Her performance and ability were below expectations anyway."

Still another in the Cincinnati area said: "Most techs are macho and would offend females."

But a Providence, R.I., service manager without a woman technician got the last word. "Our service manager is female," she said. ■

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Question 12: How many hours per week is your service department open?

	1988	1987	1986	1985	1984
Less than 45 hours	12.9	11.1	18.0	18.6	11.1
45 to 50 hours	38.7	54.2	60.0	38.6	47.2
51 to 55 hours	22.7	20.8	14.0	27.1	19.4
56 to 60 hours	11.9	9.7	6.0	11.4	8.3
More than 60 hours	13.9	4.2	2.0	4.3	14.0

Question 13: How many employees are there in your service department including parts and service personnel?

	1988	1987	1986	1985	1984
1 to 10	23.2	25.0	28.0	25.7	33.3
11 to 20	32.0	27.8	18.0	28.6	27.8
21 to 30	15.5	33.4	36.0	15.7	13.9
31 to 40	11.3	6.9	8.0	17.1	11.1
More than 40	17.5	6.9	10.0	12.9	13.9

Question 14: What is your most profitable service operation?

	1988	1987	1986	1985	1984
Tuneup	37.6	50.7	24.0	40.3	39.8
Wheel alignment	12.9	14.5	6.6	9.0	11.3
Wheel balance	8.2	8.7	4.0	1.8	2.7
Brakes	32.0	34.8	25.3	20.4	25.6
Transmissions	13.9	15.9	6.6	10.4	8.4
Engine overhaul	9.8	10.1	13.3	3.3	1.8
Rustproofing	12.9				
Body shop	10.3	11.6	9.3	6.1	7.7
Other	14.9	13.0	10.6	8.7	2.7

Question 15: How much do the following contribute to your service profits?

1988	Significantly	Some	None
New car warranty work	41.2	50.0	7.2
Extended service contracts	36.1	56.2	3.6
General customer drive-in	73.6	23.8	0.0
Special service packages	38.7	46.9	7.7
1987	**Significantly**	**Some**	**None**
New car warranty work	40.3	54.2	5.5
Extended service contracts	34.3	62.9	2.8
1986	**Significantly**	**Some**	**None**
New car warranty work	40.8	48.9	10.2
Extended service contracts	27.0	66.6	6.4
1985	**Significantly**	**Some**	**None**
New car warranty work	44.3	48.6	7.1
Extended service contracts	17.1	67.3	15.6
1984	**Significantly**	**Some**	**None**
New car warranty work	48.8	43.9	7.3
Extended service contracts	8.6	74.3	17.1

Question 16: What is your age?

	1988	1987	1986	1985	1984
18 to 24	2.1	2.9	4.0	0.0	0.0
25 to 29	8.8	9.7	16.0	15.7	9.8
30 to 34	18.6	15.3	16.0	11.4	19.5
35 to 39	20.6	26.4	26.0	18.6	29.3
40 to 44	18.6	20.8	16.0	22.9	7.3
45 to 49	12.9	8.3	10.0	12.9	4.9
50 to 54	8.8	6.9	2.0	11.4	12.2
55 to 59	5.7	6.9	4.0	4.3	14.6
60 to 64	2.1	1.4	6.0	2.8	2.4
65 or over	1.0	1.4	—	—	—

Question 17: Before becoming a service manager at your present or at any other dealership, what type of job did you have?

	1988	1987	1986	1985	1984
Write-up man	34.2	30.6	24.6	31.4	24.4
Mechanic	51.0	43.4	43.4	37.2	44.1
Parts manager	21.1	7.3	8.6	5.7	9.8
Other	37.1	18.7	23.4	25.7	21.7

Question 18: How many years have you been a service manager (including time spent at previous dealerships)?

	1988	1987	1986	1985	1984
1 to 3	24.9	20.8	19.6	22.9	22.9
4 to 7	19.7	19.4	33.3	21.4	26.6
8 to 11	22.3	26.4	17.6	15.7	11.4
12 to 15	12.4	13.9	5.8	12.9	15.7
16 to 19	8.8	8.4	9.8	11.4	9.2
20 or more	11.9	11.1	13.9	15.7	14.2

Question 19: What was your total compensation last year for being a service manager?

	1988	1987	1986	1985	1984
Less than $15,000	0.5	2.7	4.1	2.9	2.7
$15,001 to $19,999	3.1	11.3	4.1	10.0	8.1
$20,000 to $24,999	11.9	14.1	18.7	14.3	18.2
$25,000 to $29,999	11.3	7.0	10.4	24.1	27.0
$30,000 to $34,999	12.9	9.9	8.3	11.4	13.5
$35,000 to $39,999	12.9	12.7	20.8	10.1	10.8
$40,000 to $44,999	9.8	11.3	14.5	8.7	6.8
$45,000 to $49,999	5.7	9.9	6.2	10.2	9.5
$50,000 or more	25.8	21.1	12.5	8.3	5.4

Question 20: What was your total compensation for being a service manager based on?

	1988	1987	1986	1985	1984
Salary only	12.9	15.3	9.4	8.6	11.8
Salary + overtime	0.0	0.0	1.8	1.9	2.9
Salary + bonus	42.8	31.9	26.7	38.6	41.2
Salary + incentive	30.9	41.7	43.6	45.2	35.3
Salary + stock	0.0	1.4	—	—	—
Salary + other	11.3	9.7	18.5	5.7	8.8

Question 21: Do you believe your salary and benefits are commensurate with your experience?

	1988	1987	1986	1985	1984
Yes	62.9	50.0	48.9	54.2	63.6
No	33.0	50.0	51.1	45.8	36.4

SEGMENT

FROM PAGE 3

Mercedes-Benz helped boost the standard-class numbers by adding sales of 3,363 new 300-SEL models, while Pontiac sold 64,811 Bonnevilles that weren't on the market during the same period in 1987. Bonneville outperformed the Parisienne, Pontiac's 1987 big car, by a wide margin. Parisienne sales totaled 52,777 in the first six months of 1987.

Subcompact sales for the first half totaled 1,269,930, a jump of 6.65 percent over the 1,190,765 sold in 1987.

The only newcomer in the segment during the first half of this year was Daihatsu, which reported first-half sales of 5,273 Charades.

First-half sales of compact cars increased 3.31 percent to 1,412,773 over last year's first-half total of 1,367,523.

Reporting first-half sales for the first time in the compact market were Ford Probe, with 18,837, and Audi 80/90 with 6,146. The 80/90 replaced the Audi 4000, which had sales of 4,508 last year.

Sales of speciality cars for the six-month span totaled 112,255, 18.52 percent below the 137,772 sold in the comparable period of 1987.

Fiero sales showed the largest decline of any model in the specialty segment. Sales of the once-popular two-seater dropped 10,707 units from last year's first half.

Chiefly because of slow sales, Pontiac will close its Fiero plant in Pontiac, Mich., and discontinue the line this fall.

Another hurting two-seater in the speciality market was the Nissan 300-ZX, reporting a first-half sales loss of 8,757.

The only new entry in the speciality market for the first half was Buick's Reatta. Sales of that model totaled 1,634.

CAR SALES BY SIZE CLASS

First half 1988 vs. 1987

	1988	1987
Subcompact Cars		
Escort	192,871	191,892
Hyundai	148,488	127,088
Sentra	123,825	124,482
Civic/CRX	103,400	109,695
Corolla	88,274	69,137
Nova	82,896	75,577
Mazda 323	47,017	31,869
Colt	45,108	38,942
Tercel	42,588	40,894
Spectrum	40,734	36,286
Festiva	35,289	2,945
LeMans	32,434	3,454
Lynx	31,056	32,168
Fox	29,477	14,153
Integra	28,129	28,381
Horizon	27,808	34,675
Omni	26,809	28,134
Pulsar	26,872	33,348
Sprint	23,613	23,862
Yugo	16,544	27,033
Golf/GTI	15,186	26,112
Justy	14,322	4,589
Precis	11,539	8,443
Vista	10,035	15,137
I-Mark	7,578	12,386
Cabriolet	7,176	7,878
Mirage	5,777	8,469
Daihatsu	5,273	0
Alliance	3,696	14,171
Scirocco	1,380	3,731
Chevette	191	15,555
Pontiac 1000	154	4,123
Lasar	0	3,629
TOTAL	1,269,930	1,190,765
Compact Cars		
Accord	172,667	149,188
Cavalier	156,855	168,885
Tempo	147,088	126,105
Grand Am	127,760	111,661
Reliant	65,697	53,962
Aries	58,293	50,671
Calais	54,832	54,236
Shadow	47,823	38,602
Sunbird	45,100	45,677
Topaz	44,657	36,271
Sundance	43,179	40,912
Daytona	40,886	16,529
Jetta	40,195	36,714
Mazda 626	33,676	38,702
Celica	32,521	36,209
Somerset/Skylark	32,030	36,458
Subaru Sta. Wgn.	31,520	33,605
Stanza	27,125	32,658
Prelude	25,071	28,985
Mazda MX-6	19,940	0
BMW 325	19,334	28,607
Probe	18,837	0
Skyhawk	15,574	18,906
Subaru 4-Dr. Sdn.	15,166	19,438
LeBaron K	14,338	30,004
Nissan 200SX	10,112	18,163
Dodge 600	9,404	18,486
Mercedes 190	9,302	9,446
Subaru XT	7,220	9,852
Firenza	6,845	8,370
Subaru 3-Door	4,274	6,532
Impulse	4,017	3,755
Mercedes 260E	3,862	2,801
Cimarron	3,697	6,757
Cordia	3,341	2,168
Subaru Hatchback	3,222	3,583
Audi 80	3,079	0
Audi 90	3,067	0
Merkur XR4Ti	2,567	4,006
Milano	1,622	1,342
Quantum	1,415	3,118
Eagle	1,382	2,228
Turismo	1,115	11,935
Charger	1,022	15,802
BMW M3	930	74
Maserati	510	518
Tredia	415	2,523
Audi Coupe GT	218	856
Audi 4000S	177	3,398
Audi 4000CS Quattro	83	1,120
BMW 318	9	15
TOTAL	1,412,773	1,367,523
Intermediate Cars		
Corsica/Beretta	222,514	76,906
Taurus	210,973	174,980
Celebrity	138,504	178,152
Cutlass Ciera	119,859	128,575
Mustang	99,430	96,273
Camry	98,148	75,289
Thunderbird	88,432	60,923
Sable	86,893	47,224
Regal	83,127	25,708
Cougar	58,788	52,842
Century	59,173	74,415
LeBaron J	56,931	28,190
Pontiac 6000	55,380	64,216
Cutlass Supreme	54,320	56,260
Camaro	53,055	68,139
Grand Prix	44,531	9,059
Dynasty	37,887	0
Maxima	36,739	46,221
New Yorker C	34,524	0
Firebird	33,632	42,498
Legend	33,174	21,780
Volvo 740 Series	21,888	26,047
Monte Carlo	21,563	31,946
Continental	21,502	7,288
Volvo 240 Series	21,494	30,463
Prelude	18,488	0
Eldorado	14,340	16,386
New Yorker E	14,170	30,734
Mazda 929	13,167	0
Mercedes 300	13,158	11,963
Mark VII	11,275	13,449
Supra	10,721	14,175
Seville	10,611	12,407
Caravelle	10,287	19,630
Galant	8,901	5,940
Toronado	8,888	10,141
LeBaron GTS	8,798	17,717
Medallion	8,588	5,570
Jaguar XJ6	7,472	7,722
Cressida	5,861	10,429
Lancer	5,755	13,423
Volvo 780 Series	5,288	6,454
Riviera	5,187	11,089
Saab 9000S	5,115	7,095
Sterling	4,947	6,381
BMW 528e	4,5[illegible]	4,897
Saab 900 Turbo	4,54[illegible]	4,264
Saab 9000 Turbo	4,21[illegible]	3,824
Scorpio	3,83[illegible]	1,125
Audi 5000S	3,617	14,412
Peugeot	3,482	4,440
Saab 900	3,280	4,650
BMW 535i/535iS	2,427	3,616
Jaguar XJS	2,425	2,302
Saab 9000S	1,707	1,810
BMW 6-Series	877	999
Audi 5000CS Turbo Quattro	838	2,557
Volvo 780	789	35
Audi 5000CS Turbo	674	2,754
BMW M6	270	344
BMW M5	194	145
Mercedes 300SDL Turbo	87	3,620
BMW 524 TD	3	26
TOTAL	1,962,203	1,690,857
Standard Cars		
Olds 88	94,619	89,296
Caprice	89,888	89,118
LeSabre	79,231	65,913
DeVille	77,352	71,164
Bonneville H	64,811	0
Lincoln	64,388	60,331
Crown Victoria	64,104	64,317
Grand Marquis	61,028	58,956
Electra	41,836	36,245
Olds 98	38,091	34,254
Fifth Avenue	26,388	20,655
Brougham	20,385	25,356
Diplomat	12,227	5,581
Gran Fury	7,584	3,889
BMW 7-Series	6,135	4,264
Mercedes 420SEL	4,700	6,875
Paris./Safari	3,804	52,277
Mercedes 300SEL	3,363	0
Mercedes 560SEL	2,738	3,178
Mercedes 560SEC	825	916
Marquis	0	2,510
TOTAL	753,980	692,775
Speciality Cars		
Mazda RX-7	16,151	19,021
Fiero	15,889	26,396
Corvette	13,544	13,202
Nissan 300ZX	11,695	20,452
Toyota 4Runner SR 5	10,253	735
Mercedes 560SL	6,074	8,014
Conquest	5,679	6,686
Toyota MR2	4,742	8,640
Toyota Land Cruiser	3,879	1,926
Mitsubishi Van/Wagon	3,272	3,841
VW Vanagon	3,085	4,980
Toyota Van	3,060	7,145
Porsche 944	2,058	3,182
Starion	1,795	2,863
Atlantis	1,792	1,093
Porsche 911 Cpe.	1,750	2,255
Reatta	1,634	0
Porsche 924S	1,302	1,467
Spider	1,086	2,080
Porsche 911 Cabriolet	1,073	1,333
Porsche 944 Turbo	1,025	1,383
Porsche 928S	753	1,064
Porsche 911 Turbo	579	771
Porsche 944S	269	1,349
Montero 4-door	2	0
TOTAL	112,255	137,772
*Total Car Sales	5,529,838	5,079,692

*Total does not include some deliveries.

Sterling picks ad agency to replace Riney

MIAMI — Austin Rover Cars of North America confirmed that it has awarded its advertising account to New York-based AC&R/DHB & Bess Advertising.

The ARCONA account previously was handled by Hal Riney & Partners, San Francisco, but Sterling terminated the account when Riney won the Saturn Corp. account. Saturn, a GM subsidiary, will begin building cars in summer 1990 at a plant in Spring Hill, Tenn.

ARCONA sells Sterling models through 180 dealers in the United States. Britain's Austin Rover Group recently acquired total control of ARCONA from majority owner Braman Enterprises, which is headed by dealer-entrepreneur Norman Braman.

The ARCONA account is reportedly worth some $20 million, though company officials declined to disclose the size of the account.

Monroe, Bosch to make electronic suspension

BROADVIEW, Ill. — Monroe Auto Equipment Co., Monroe, Mich., a division of Tenneco Automotive, has reached an agreement with Robert Bosch GmbH of Stuttgart, West Germany, to co-develop and sell a new electronic ride-control suspension system.

The system will enable a vehicle to adapt automatically to changing road surface and driving conditions, according to Robert Bosch Corp. here, a subsidiary of Robert Bosch GmbH.

A Tenneco spokeswoman said the company hasn't decided which of the partners will market the system, but she said it would be an original-equipment item.

Balance Engineering forms new division

TROY, Mich. — Balance Engineering Corp. has established a new operating division here called Dynotech Engineering.

The division will provide single-sourced balancing services, prop-shaft/driveline research and dynamometer engine testing services for standard and high-performance engine configurations.

Balance Engineering was established in 1987 in a management buyout from General Motors. It had been part of GM since 1923.

Trade bill awaits vote in Senate

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Senate is expected to vote soon on an overhaul of U.S. trade laws.

The House already has approved a new plant-closing notification bill and also has passed separate legislation on trade. Both measures carried by margins, sufficient to override a presidential veto.

The measure requiring companies to give workers 60 days' notice of plant closings or large layoffs passed 286-136, four votes more than is needed to override a veto. The trade bill was approved 376-45.

The Senate already has passed its version of the plant-closing bill and will vote on the trade measure now that the Democratic National Convention is over.

President Reagan vetoed the trade bill in May, primarily because it included the plant-closing measure. Now, it looks as though the trade-reform measure and the plant-closing legislation will become law anyway.

Political observers here say the president may sign the trade bill and simply allow the plant-closing measure to become law without his signature. The unpopularity of the president's trade-bill veto has become an embarrassing election-year issue for Republicans, especially the president's opposition to advance notice of plant closings.

Domestic automakers and the UAW have supported trade reform, while import automakers and car dealers have opposed the legislation. The plant closing bill may affect some non-union auto suppliers but is not expected to have an impact on the auto industry's mainstream.

Union contracts already require advance notice of layoffs and plant closings throughout most of the industry. Small businesses, including car dealerships, are not covered by the bill.

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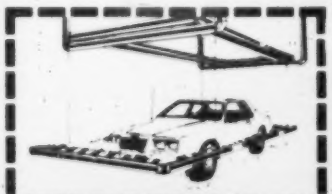
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AUCTION DATES

Chrysler Motors

July 26 — Dallas Auto Auction, Grand Prairie, Texas; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; Greensboro Auto Auction, Greensboro, N.C.; and Riverside Auto Auction, Riverside, Calif.

July 27 — Columbus Fair Auto Auction, Obetz, Ohio, and Southern Auto Auction, Warehouse Point, Conn.

July 28 — Fredericksburg Auto Auction, Fredericksburg, Va.; Indianapolis Auto Auction, Indianapolis; Southwest Auto Auction, Phoenix, Ariz.; and Omaha Auto Auction, Omaha, Neb.

July 29 — St. Louis Auto Auction, St. Louis.

Aug. 1 — St. Louis Auto Auction, St. Louis.

Aug. 5 — American Auto Auction, Walpole, Mass.; Nashville Auto Auction, Nashville, Tenn.; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

Aug. 6 — South Seattle Auto Auction, Kent, Wash.; A.D.E. of Birmingham, Birmingham, Ala.; Denver Auto Auction, Aurora, Colo.; Minneapolis Auto Auction, Plymouth, Minn.; and Butler Auto Auction, Gibsonia, Pa.

Ford Motor Co.

July 27 — Clanton's Auto Auction, Darlington, S.C.; Albuquerque Auto Auction, Albuquerque, N.M.; Mississippi Auto Auction, Hattiesburg, Miss.; and Southern California Auto Auction, Fontana, Calif.

July 28 — Greater Chicago Auto Auction, Chicago, and St. Louis Auto Auction, Bridgeton, Mo.

Aug. 3 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; and Newburgh Auto Auction Inc., Newburgh, N.Y.

Aug. 4 — Interstate Auto Auction, Mercer, Pa., and Nashville Auto Auction, Nashville.

Aug. 9 — South Seattle Auto Auction, Kent, Wash.

Aug. 10 — Atlanta Auto Auction, Red Oak, Ga., and Wednesday Auto Auction, Obetz, Ohio.

General Motors

July 26 — A.D.E. of Birmingham, Moody, Ala.; National Auto Dealer Exchange, Bordentown, N.J.; and Florida Auto Auction of Orlando, Ocoee, Fla.

July 27 — Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Indianapolis Auto Auction, Indianapolis; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

July 28 — Butler Auto Auction, Gibsonia, Pa.; Colorado Auto Auction, Commerce City, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; and Nashville Auto Auction, Nashville, Tenn.

Aug. 2 — Southern Auto Auction, East Windsor, Conn., and Dallas Auto Auction, Grand Prairie, Texas.

Aug. 3 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

Aug. 4 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, St. Louis; and Utah Auto Auction, West Bountiful, Utah.

Used Car Sales
Auction Averages

July 88	$5,816
Month ago	$5,833
Year ago	$5,923

Model Breakdown
Auction Averages

	JULY 1988	JUNE 1988	MAY 1988
1988	$11,391	$12,545	$12,495
1987	$8,587	$8,668	$8,661
1986	$7,241	$7,327	$7,400
1985	$5,820	$5,801	$5,711
1984	$4,520	$4,534	$4,525
1983	$3,710	$3,721	$3,776
1982	$2,509	$2,529	$2,475
1981	$1,926	$1,932	$1,983
Overall Average	$5,816	$5,855	$5,800

'88 Continentals recalled for gearbox, electric fixes

DEARBORN, Mich. — Ford Motor Co. is voluntarily recalling 27,757 1988-model Lincoln Continental passenger cars in response to two electrical wiring-related conditions and a transmission gearshift mechanism condition.

The recall involves nearly the entire 1988 model production.

Heat resistant fiberglass tape will be installed around an engine compartment electrical wiring harness located above the engine exhaust manifold.

The harness is covered by a nylon shield that under extremely severe temperature and driving conditions could melt and drip onto the exhaust manifold, possibly resulting in an engine compartment fire. The tape will enclose and insulate the nylon shield.

A new ignition switch and certain ignition circuit electrical wiring and connectors will be installed on most of those cars.

In some Continentals, the presently installed ignition switch wiring can become overheated under heavy accessory use and lose electrical contact. That would cause such systems as the turn signals, radio, heater and air conditioner blower motor to stop functioning.

The brake system pump also would be affected, and the vehicle could experience substantially reduced braking capability if the brake system malfunction warning light were ignored.

In most of the vehicles, new transmission shift-control cables also will be installed. The present cables, in some cases, may come apart at one end, and when the vehicle is shifted, the transmission may be in a gear different from that indicated on the instrument panel "PRNDL" display.

Of the vehicles being recalled, 26,217 are in the United States, 1,347 are in Canada and 193 have been exported.

Owners will be notified of the safety recall by letter and will be requested to return their Continentals to dealers for modification. There will be no charge to owners for the recall service.

In a separate action, Ford Motor Co. is voluntarily recalling approximately 16,000 1986-87 F-series and B-series and 1986-model year C-series trucks over 14,000 pounds GVW to assure acceptable evaporative emissions levels. The affected vehicles are equipped with 6.1-liter 4-barrel and 7-liter 4-barrel engines.

The emission levels of some of those vehicles exceed applicable standards. To correct that condition, dealers are being asked to remove two purge control valves. The work will be performed at no cost to owners.

Of the trucks being recalled, 15,988 are in the United States and 90 are in export locations.

Vehicles built for sale in Canada are not affected by this action.

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— 11:00 a.m.

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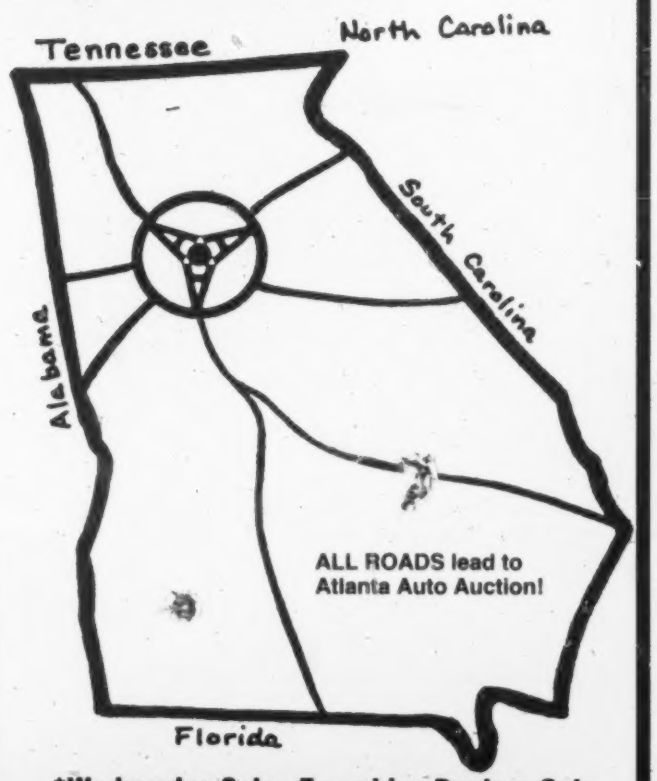
Wednesday, Aug. 10th — 10:00 a.m.

Wednesday, Aug. 17th — 10:00 a.m.

Thursday, Aug. 25th — Summer Sizzler Sale

Wednesday, Aug. 31st — 10:00 a.m.



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Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, GMAC, all leasing. 414-835-4436, Caledonia, Wisconsin.

PRODUCTION

Changeovers trim week's car output

With more plants shutting down for model changeover, last week's targeted domestic car output of 88,929 was 5.38 percent below the previous week's 93,984 but 19.96 percent more than the year-ago week's 74,130, which was also affected by downtime.

Companies spit last week's estimated output as follows: Ford Motor Co., 43.70 percent; General Motors, 27.27 percent; Chrysler Motors, 10.12 percent; Honda of America Manufacturing Inc., 8.64 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.80 percent; New United Motor Manufacturing Inc., 3.65 percent; and Nissan Motor Manufacturing Co. U.S.A., 2.82 percent.

Truck production was slated at 71,682 units last week, 80.46 percent more than the prior week's 39,721 when all Ford plants were down for vacation along with several others for changeover.

The following GM plants remain idle until Aug. 1 for model changeover: Janesville, Wis.; Doraville, Ga.; Arlington, Texas; Fairfax, Kans.; Linden, N.J.; Tarrytown, N.Y.; Framingham, Mass.; and Willow Run, Mich.

These GM plants are also down for changeover: Flint, Mich., until Aug. 2; Wentzville, Mo., until Aug. 2; Lansing, Mich., until early August; Orion Township, Mich, until Aug. 8; Van Nuys, Calif., until Aug. 15.; Framingham, Mass., until Aug. 18; and Detroit-Hamtramck until Aug. 24.

Two Chrysler plants are closed until Aug. 1: Sterling Heights, Mich., and Belvidere, Ill. Sterling Heights is idle for vacation and Belvidere for changeover.

Chrysler's Toledo, Ohio, and Kenosha, Wis. (No. 1) plants are down until Aug. 8, and Kenosha (No. 2) is down until Aug. 29. Its Newark, Del., plant is down until early October for changeover.

Chrysler's Warren, Mich., facility resumed output today after being down for changeover.

Only five plants build in Canada

With only five car and truck assembly plants open, last week's scheduled output in Canada dipped considerably from the prior week's total.

Car production was targeted at 5,654 units, 34.01 percent below the previous week's 8,568 and 33.76 percent below the year-ago week's 8,536.

Truck output was scheduled at 5,070 units last week, 10.19 percent below the prior week's 5,645 but 45.15 percent more than the year-ago week's 3,493.

General Motors' Oshawa, Ontario, (No. 2) plant is closed until Aug. 1 for changeover. The Scarborough, Ontario, and Ste. Therese, Quebec, facilities are closed until Aug. 15 for changeover.

Ford Motor Co.'s Oakville, Ontario, car and truck plant resumed output today. Both were idle three weeks for vacation.

Chrysler Motors Windsor, Ontario, and Brampton, Ontario, plants are slated to reopen today after being idle for vacation.

U.S. CAR	Week Ended July 25, 1988	Week Ended July 23, 1987	Week Ended July 16, 1988	July to Date	Jan. 1 to July 25, 1988	Jan. 1 to July 23, 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	0	0	1,400	3,415	53,889	32,997
Sundance	2,600	0	3,142	8,352	62,475	56,294
Reliant	2,100	0	2,120	6,250	54,061	63,258
Caravelle	0	0	0	0	9,087	30,019
Gran Fury	0	247	290	662	15,047	2,793
Total Plymouth	4,700	247	6,952	18,679	194,579	185,361
LeBaron K	0	0	0	0	7,912	43,210
LeBaron J	0	0	2,050	4,091	44,576	70,194
LeBaron GTS	200	0	329	805	5,657	23,809
N. Yorker E-Class	0	0	0	0	0	46,793
N. Yorker C-Class	0	0	0	2,604	63,233	0
Fifth Avenue	0	2,046	249	564	15,794	28,550
Total Chrysler	200	2,046	2,628	8,064	137,172	212,556
Omni	0	0	1,218	3,072	52,602	28,363
Daytona	0	0	2,020	4,060	43,821	33,909
Shadow	2,200	0	2,648	7,107	61,513	57,629
Aries	1,800	0	1,894	5,511	52,705	60,267
Dodge 600	0	0	0	0	8,549	26,922
Dynasty	0	0	0	2,230	59,366	0
Lancer	100	0	185	457	5,556	15,008
Diplomat	0	451	297	735	12,368	5,776
Total Dodge	4,100	451	8,262	23,172	296,480	227,874
CHRYSLER MOTORS	9,000	2,744	17,842	49,916	628,231	641,785
Escort	10,394	7,759	0	12,277	211,632	212,789
Mustang	4,213	4,467	0	5,097	113,853	122,828
Tempo	3,755	0	0	4,531	106,519	99,830
Taurus	8,777	7,981	0	10,737	221,833	239,739
Thunderbird	3,138	3,657	0	3,791	87,383	94,799
Total Ford Div.	30,277	23,864	0	36,434	741,220	769,985
Lynx	0	253	0	0	0	21,135
Topaz	1,596	0	0	1,899	39,867	32,858
Cougar	3,160	2,414	0	3,809	66,935	85,387
Sable	2,767	2,593	0	3,377	76,393	76,588
Total Mercury	7,523	5,260	0	9,085	183,215	215,968
Continental	353	0	0	503	24,069	9,610
Mark VII	178	545	0	251	13,175	14,821
Lincoln	532	2,724	0	974	76,121	74,894
Total Lincoln	1,063	3,269	0	1,728	113,365	99,125
Total L-M Division	8,586	8,529	0	10,813	296,580	315,093
FORD MOTOR CO.	38,863	32,393	0	47,246	1,037,800	1,085,078
Skyhawk	0	0	177	250	9,950	16,451
Skylark/Somerset	0	0	712	2,351	28,172	37,072
Century	0	0	1,580	4,921	64,323	103,225
Regal (rwd)	0	1,405	0	0	0	28,123
Riviera	0	0	0	74	3,642	8,501
Electra	1,509	0	1,905	5,427	51,312	53,545
LeSabre (fwd)	2,600	0	2,592	7,732	72,562	80,693
LeSabre (rwd)	173	86	196	554	5,994	5,643
Reatta	228	0	166	591	5,310	0
Total Buick	4,510	1,491	7,328	21,899	241,265	333,253
Cimmaron	0	0	0	0	3,893	7,489
Eldorado	0	0	0	542	23,410	12,720
Seville	0	0	0	355	14,488	10,534
Brougham (rwd)	358	124	356	1,116	18,153	38,116
Deville (fwd)	0	0	1,116	4,699	97,287	90,573
Allante	0	144	0	0	1,135	2,635
Total Cadillac	358	268	1,472	6,713	158,166	162,067
Cavalier	7,246	0	7,369	21,999	207,836	204,851
Camaro	2,998	4,899	2,825	8,523	54,915	67,717
Celebrity	0	0	2,638	7,727	106,028	192,484
Corsica/Beretta	0	8,521	9,460	18,731	231,977	170,649
Monte Carlo	0	1,158	0	0	0	41,135
Caprice	4,488	1,879	4,457	14,281	118,948	113,223
Corvette	450	615	450	1,342	12,330	17,688
Total Chevrolet	15,182	16,872	27,199	72,604	732,034	807,747
Calais	0	0	1,360	4,420	65,250	69,547
Firenza	0	0	0	0	5,230	2,019
Cutlass Ciera	0	0	2,260	4,221	13,551	99,968
Cutlass Supreme	0	1,323	3,937	8,137	90,480	44,367
Toronado	0	0	0	210	10,209	10,127
88 (fwd)	337	1,451	2,919	6,590	90,017	107,303
88 (rwd)	110	0	118	374	7,043	10,656
Olds 98	95	0	584	2,530	45,119	37,869
Total Oldsmobile	542	2,774	11,178	26,481	326,899	390,450
Sunbird	1,827	0	1,834	5,503	61,200	60,295
Grand Am	0	0	4,186	9,874	138,332	149,576
Firebird	1,203	2,475	1,325	3,898	37,745	46,427
Grand Prix	0	0	2,536	6,281	71,916	0
Pontiac 6000	0	0	711	2,201	42,702	48,689
Bonneville	0	2,315	2,345	5,056	64,003	78,687
Safari/Parisienne	118	93	71	281	4,818	5,861
Fiero	508	0	496	1,099	11,618	20,689
Total Pontiac	3,656	4,883	13,504	34,192	432,334	410,224
GENERAL MOTORS	24,248	26,286	60,681	161,889	1,890,696	2,103,741
HONDA	7,682	6,110	7,133	16,311	204,204	190,467
Civic	2,540	1,821	2,325	5,341	56,631	63,424
Accord	5,142	4,289	4,808	10,970	147,573	127,043
MAZDA†	3,377	0	3,514	9,943	57,212	0
NISSAN	2,509	2,589	0	3,042	56,080	74,815
NUMMI	3,250	4,006	3,237	7,007	88,413	112,733
Corolla	1,200	878	1,172	2,564	32,450	23,471
Nova	2,050	3,128	2,065	4,443	55,963	89,262
VOLKSWAGEN	0	0	1,577	3,510	35,595	43,129
Golf/GTI	0	0	1,577	3,510	30,042	34,775
Jetta	0	0	0	0	5,553	8,354
Total Cars, U.S.	88,929	74,130	93,984	298,865	3,998,233	4,251,748
Total Cars, Canada	5,654	8,536	8,568	30,912	643,467	462,026
U.S., Canada Cars	94,583	82,666	102,552	329,776	4,641,700	4,713,774
U.S., Canada Cars and Trucks	171,335	152,166	147,918	526,707	7,501,082	7,347,915

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended July 25, 1988	Week Ended July 23, 1987	Week Ended July 16, 1988	July to Date	Jan. 1 to July 25, 1988	Jan. 1 to July 23, 1987
Eagle	0	—	0	0	0	—
Premier	0	—	1,595	3,457	38,964	—
CHRYSLER MOTORS	0	0	1,595	3,457	38,964	3,095
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	0	—	0	528	102,017	—
Topaz	0	—	0	262	36,450	—
Crown Victoria	2,042	—	0	2,499	73,982	—
Grand Marquis	2,232	—	0	2,697	74,096	—
FORD MOTOR CO.	4,274	5,359	0	5,986	286,545	283,953
Celebrity	0	—	553	1,344	12,971	—
Cutlass Ciera	0	—	1,978	8,608	155,154	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	928	29,675	—
Regal	0	—	3,368	7,774	94,638	—
GENERAL MOTORS	0	2,527	5,899	18,654	292,438	161,541
Civic	1,200	—	894	2,262	19,483	—
Accord	0	—	0	0	1,828	—
HONDA	1,200	425	894	2,262	21,311	7,245
VOLVO	180	225	180	554	4,189	6,192
Total Cars, Canada	5,654	8,536	8,568	30,912	643,467	462,026

U.S. TRUCK☆	Week Ended July 25, 1988	Week Ended July 23, 1987	Week Ended July 16, 1988	July to Date	Jan. 1 to July 25, 1988	Jan. 1 to July 23, 1987
Caravan	1,500	—	0	3,096	54,130	—
Dakota	0	—	0	2,044	61,653	—
Mini-Ram Van	200	—	0	441	8,696	—
Pickups	0	—	0	2,002	40,119	—
Total Dodge	1,700	0	0	7,583	164,598	141,731
Cherokee	3,300	—	3,626	11,502	105,856	—
Commanche	800	—	874	2,764	27,004	—
Grand Wagoneer	0	—	284	354	8,215	—
Pickups	0	—	0	0	0	—
Wagoneer	0	—	0	0	6,190	—
Total Jeep	4,100	4,070	4,784	14,620	147,265	123,556
Voyager	1,700	—	0	3,383	50,301	—
Total Plymouth	1,700	—	0	3,383	51,054	—
CHRYSLER MOTORS	7,500	4,070	4,784	25,586	370,181	265,287
Aerostar	1,540	—	0	1,540	110,673	—
Bronco	1,238	—	0	1,483	33,628	—
Bronco II	1,145	—	0	1,656	71,026	—
Econoline	3,877	—	0	4,813	133,902	—
Heavy trucks	1,476	—	0	1,476	36,536	—
Light trucks	10,277	—	0	12,353	277,060	—
Ranger	5,007	—	0	6,578	196,440	—
Total Ford Div.	24,560	29,710	0	29,899	859,265	839,144
FORD MOTOR CO.	24,560	29,710	0	29,899	859,265	839,144
Astro	3,913	—	3,365	11,315	99,972	—
Blazer	534	—	617	1,706	16,162	—
Medium/Heavies	340	—	333	967	10,269	—
P-Model	968	—	1,017	2,881	23,328	—
Pickups	7,122	—	6,620	20,595	194,461	—
S-10	6,559	—	5,886	19,187	170,012	—
S-10 Blazer	3,300	—	3,648	10,213	96,737	—
Sportsvan/Van	2,172	—	2,036	6,419	51,938	—
Suburban	1,534	—	1,561	4,596	43,086	—
Total Chevrolet	26,440	18,637	25,083	77,880	705,985	672,129
Jimmy	152	—	71	338	4,556	—
Medium/Heavies	760	—	769	2,322	22,792	—
P-Model	54	—	16	158	3,214	—
Pickups	2,158	—	1,991	6,408	60,177	—
S-15	1,333	—	1,162	3,851	38,566	—
S-15 Jimmy	900	—	966	2,746	25,125	—
Safari	961	—	892	2,863	25,491	—
Suburban	522	—	505	1,533	19,158	—
Vandura/Rally Vans	597	—	732	1,935	20,531	—
Total GMC	7,437	8,750	7,104	22,154	219,610	220,979
GENERAL MOTORS	33,877	27,387	32,187	100,034	925,595	893,108
NAVISTAR	1,782	0	0	2,081	47,431	40,037
NISSAN	1,213	2,092	0	1,466	57,172	45,865
AM GENERAL*	450	450	450	1,440	12,960	7,560
MISCELLANEOUS*	2,300	2,300	2,300	7,360	66,240	66,400
Total Trucks, U.S.	71,682	66,009	39,721	167,865	2,338,844	2,157,401

CANADIAN TRUCK	Week Ended July 25, 1988	Week Ended July 23, 1987	Week Ended July 16, 1988	July to Date	Jan. 1 to July 25, 1988	Jan. 1 to July 23, 1987
Caravan	0	—	0	3,339	79,451	—
Mini-Ram Van	0	—	0	297	7,850	—
Ram Wagon	0	—	0	444	13,401	—
Ram Van	0	—	0	1,880	35,238	—
Total Dodge	0	0	0	5,960	135,940	239,258
Voyager	0	—	0	3,030	72,320	—
Total Plymouth	0	—	0	3,030	72,320	—
Wrangler	0	—	23	987	26,888	—
Total Jeep	0	0	23	987	26,888	18,081
CHRYSLER MOTORS	0	0	23	9,976	235,148	257,339
FORD MTR. (lt. trks.)	0	0	0	609	91,509	87,075
Light trucks	3,330	—	2,604	9,703	88,399	—
Vans	0	—	983	2,606	35,105	—
Total Chevrolet	3,330	—	3,587	12,308	123,504	—
Light trucks	1,470	—	1,434	4,403	45,667	—
Vans	0	—	601	1,456	18,604	—
Total GMC	1,470	—	2,035	5,860	64,271	—
GENERAL MOTORS	4,800	3,493	5,622	18,168	187,775	127,228
NAVISTAR	270	0	0	311	6,106	5,098
Total Trks., Canada	5,070	3,493	5,645	29,065	520,538	476,740
U.S., Canada Trks.	76,752	69,502	45,366	196,930	2,859,382	2,634,141

—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

8/3/88 C 2700-1

Automotive News®

August 1, 1988

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63rd year—$55.00 per year, $1.50 per copy

Ford, VW hit snags in S. America

Engines, exports trouble Autolatina

By Rik Turner
STAFF CORRESPONDENT

SAO PAULO, Brazil — Heralded two years ago as a joint venture prototype for the future, the Ford-Volkswagen Autolatina alliance is now wrestling with strains from its product decisions, dealers upset by the sharing of technology and political-economic pressures in this inflation-plagued country.

As Ford and VW have faced those issues — and altered strategies in the process — agreed-upon plans have become muddied. And reactions have been strong.

VW dealers are threatening legal action against Autolatina to stop technology transfers between the partners. There are plans to lay off 500-600 workers as a result of lost orders for VW's Fox in the United States, and the Brazilian press is reporting that the partners differ in their views of VW's U.S. export program.

All this greets Ford's new top official in the Brazil-Argentina linkup of the two companies. By the end of this year, James D. Donaldson, Ford's executive director of marketing for North American automotive operations, will become the new vice president of Autolatina, replacing Wayne Booker, who was sent to Brazil in 1986 to negotiate the merger with VW.

Booker will return to the United States after Donaldson, who recently arrived, completes a months-long transition.

Meanwhile, the latest round of problems stemming from dealer concern over the swapping of components began when the Ford dealer network started running ads comparing prices for the Escort compact with those of competitors such as the VW Golf and claiming that the Escort was a better value

see AUTOLATINA, page 51

AUTOMOTIVE NEWS/JOE WILSSENS

Some AMC veterans, from left: Rita McKay, manager of Jeep public relations; John Nemeth, director of vehicle engineering; Martin Levine, Jeep general marketing manager; Steve Harris, director of brand and product communications; James Julow, advance/special marketing plans manager; and Karen Palma, executive secretary

The merger: One year later

Both are changed, stronger, richer — and happier

By Mary Connelly and Laura Clark
AUTOMOTIVE NEWS STAFF REPORTERS

While the merger of Chrysler Corp. and American Motors one year ago relegated AMC to the annals of automotive history, the effect on Chrysler has been just as significant, if less dramatic.

Chrysler today is clearly not the same company it was one year ago. It has been fundamentally changed — by AMC people, product, facilities and attitudes.

The acquisition created both challenges and opportunities for Chrysler as it moves into the 1990s.

It burdened Chrysler with the need to launch a new car brand — Eagle — in a market already glutted with 40 competitors.

It instantly lost for Chrysler the title of low-cost domestic producer by slicing its manufacturing capacity utilization rate 20 percent.

But the purchase also gave Chrysler a springboard into international markets, increased its product and platform flexibility and made it a more formidable player in the truck market.

Jeep was the crown jewel sought by Chrysler when it made the purchase on Aug. 5, 1987, that will eventually cost it $855 million to $1.2 billion. Although Chrysler acquired a 1,472-member dealer network to market Jeep, it also inherited a weak AMC car lineup.

Consequently, Chrysler took on one of the greatest challenges wrought by the merger: the company would attempt to launch a new domestic car brand in a crowded U.S. market.

Chrysler acknowledges it will take years and millions of dollars before Eagle becomes an automotive household name.

see MERGER, page 46

Dealer groups initiate talks to join forces

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

The industry's two primary retail trade groups are engaged in private, top-level negotiations aimed at merging the American International Automobile Dealers Association into the National Automobile Dealers Association.

High-level executives from NADA and AIADA held a two-hour meeting July 15 at NADA's McLean, Va., headquarters to discuss the matter.

Although the talks have been termed "preliminary" by both sides, early discussions have included a scenario whereby AIADA would remain an autonomous division within NADA.

The July 15 meeting was attended by NADA Executive Vice President Frank McCarthy, two NADA dealer directors and another NADA staff member, McCarthy said.

AIADA was represented at the meeting by McCarthy's counterpart, AIADA President Robert M. McElwaine; AIADA Chairman Lee G. Seidman, a nine-franchise import dealer in Cleveland; and another AIADA dealer director.

"The talks are in the embryonic stage," Seidman said last week. "We had the meeting to explore any common ground, and the key word is 'explore.' "

"Nothing is close," McCarthy said. "We had a preliminary discussion to ask, 'Does it make any sense to have an affiliation?' and 'What are the issues that would have to be resolved if we decide to have an affiliation?' We have an interest, but we are not pushing it."

Seidman said AIADA's nine-member future planning committee will discuss the affiliation topic — along with several other matters, including a five-year organizational forecast — at a 3½-day meeting later this month.

McCarthy said it is likely the matter — perhaps only as a briefing — will be on the agenda at the next NADA directors' meeting, to be held Oct. 25-26 in Pebble Beach, Calif.

The July 15 meeting of the dealer groups was the result of informal conversations between two old friends — Seidman and Ron Tonkin, NADA first vice president who is virtually certain to be elected 1989 NADA president. Tonkin is a Portland, Ore., mega-dealer with 12 import and two domestic franchises and he is an AIADA member.

Seidman said he and Tonkin first discussed the

see GROUPS, page 52

LOW FINANCE: *Yugo offers loans to spur buying*

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — It's often difficult for Yugo buyers to obtain financing because the lowest-priced car sold in America also tends to attract the lowest-income car buyers in America.

So Yugo America has announced a new finance plan for first-time buyers. It begins today and will be administered by San Diego-based Imperial Savings Association.

The finance plan will start with a pilot program with 50 participating dealers for 90 days, followed by a nationwide launch, according to William E. Prior, Yugo America president and chief executive officer, and Frank Mercer, vice president of Imperial Savings.

As many as 70 percent of the people who want a Yugo can't get financing, Prior said.

And since many Yugo dealers are dualed with one or more other nameplates, a lot of those customers end up being steered into other makes or into used cars, he said.

While Yugo has attacked the entry-level market on price, its financing program has rates that are closer to credit cards than car loans.

The Yugo program can afford to fi-

see YUGO, page 51

AUTOMOTIVE NEWS/JOE WILSSENS

Prior: As many as 70 percent of the people who want a Yugo can't get financing

Saturn's first 9 dealers will spend $175 million

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

TROY, Mich. — General Motors' Saturn Corp. has named its first complement of dealers, who collectively will spend $175 million on their Southern California franchises.

Three of the nine dealers have no previous GM affiliation. Three have Ford franchises. All but two have import franchises. One minority dealer is included. All have top customer satisfaction index ratings. And one already has received approval to bundle his Saturn franchise with seven others and sell a half interest in them to a publicly traded British firm.

see SATURN, page 51

s venture an Page 2

3% hike expected on '89 Big 3 cars Page 3

Gamer's health an issue in Mazda ad change Page 6

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Price hike of 3% expected on 1989 Big 3 cars

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Domestic automobile manufacturers are expected to raise prices about 3 percent on 1989 models.

None of the Big 3 automakers has made an official announcement regarding prices, although Chrysler has notified dealers that fleet prices will rise 3 to 5 percent and retail prices will climb about 3 percent, and General Motors is offering dealers price protection up to 4 percent.

Dealers and analysts believe industrywide domestic price increases will be around 3 percent and no more than 5 percent.

The increase could be double the hike on the 1988 models at introduction time. The higher increase is seen by dealers and analysts as a way to restore the automakers' profit margins and pay for costly incentives that are bound to continue through the 1989 model year.

Dealers also predicted the automakers will expand the strategy they started in earnest last year of eliminating bare-bones base models and grouping options in packages.

GM dealers said they expect a 3 percent increase when the company makes its pricing announcement later this month. The automaker is offering its dealers price protection up to 4 percent on orders for 1989 models that they take now.

Last year, GM said it raised prices of its entire fleet an average of 1.9 percent. Base sticker prices rose considerably more than that on 1988 GM models, but GM said that with more standard equipment included in the base price, the cost of a third of its 1988 fleet was actually lower than comparably equipped 1987 models.

Ford followed GM's lead last year, hiking 1988 prices 1.3 percent over comparably equipped 1987 models. Ford raised the base prices on some models four or five times the 1.3 percent but, like GM, promoted many items from extra-cost options to standard equipment.

Ford has issued no official 1989 prices except for the Aerostar minivan, which went up 3.5 percent. That action leads dealers to believe that Ford's overall price increase on 1989 models will be between 3 and 5 percent. Some expect the increase to be closer to 3 percent, considering today's competitive market.

Meanwhile, Chrysler has already indicated to its dealers that prices of 1989 models will rise about 3 percent. Chrysler told dealers 1989 fleet prices — an early indication of what retail prices will be — will rise 3 to 5 percent.

Bennett Bidwell, Chrysler Motors president of product and marketing, said last month that cost pressures were mounting and the company would have to increase prices more than it did the last two or three years. Among the higher costs he cited were the addition of air bags on five Chrysler models, Chrysler's new labor agreement with the UAW last fall and rising costs of materials.

"If we didn't (raise prices)," Bidwell said, "we would have further profit margin erosion, and we don't feel we can afford that now."

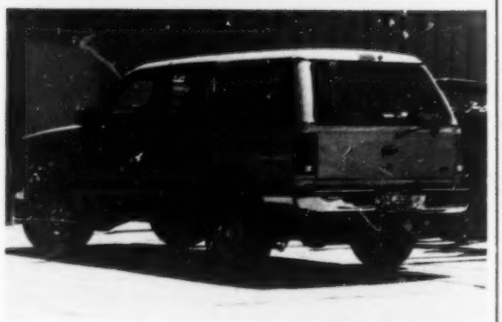
Bidwell said he doubted that Chrysler would raise prices more than 3 percent. He did suggest that the increase on the Omni/Horizon America models would be greater, saying, "I think they would be as good a buy at $6,295 as they are at $5,995."

A $300 hike on a $5,995 car is 5 percent.

Bidwell said that Chrysler had "underpriced the industry for three straight years fairly significantly." However, he said that if he had the opportunity to do it over again, he would have suggested higher price hikes to make up for the massive incentives offered in recent years.

Chrysler said it raised prices an average of 1.7 percent overall on its 1988 models. But on a comparably equipped basis, it said it actually reduced prices by about 1 percent.

Like its domestic counterparts, Chrysler raised base prices significantly more than the 1.7 percent, especially on its most popular models, as it made more optional equipment standard.



POPULAR MECHANICS/JIM DUNNE

4-door Bronco II
Ford will increase the size and engine displacement of the Bronco II when it adds a four-door version in late 1990. At 181 inches, the new four-door model will be about 10 inches longer than the new 2-door Bronco II, which itself will be upgraded and lengthened by 13 inches. Track for both will be widened. They will be powered by a 4-liter inline-6.

Big 3 profits smash record

$3.49 billion for 2nd quarter; 1st half just misses

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

Although the battle for market share in the United States curtailed Big 3 profits in the second quarter, overseas and non-automotive operations buoyed results enough to make second-quarter profits a record and first-half profits the second best in industry history.

In the second quarter, domestic automakers reported combined net income of $3.49 billion on combined sales of $60.74 billion. Earnings were up 19 percent from $2.93 billion on sales of $53.79 billion in 1987, when American Motors was still in business.

The old industry profits record for the quarter was $3.33 billion in 1984.

For the first six months of the year, the domestic automakers reported combined earnings of $6.39 billion on sales of $115.63 billion — up 13 percent from $5.64 billion profits on sales of $105.16 billion in the first half of last year. However, the results for the first half of this year were slightly below the January-June net income record of $6.55 billion, set in 1984.

The 1987 and 1984 industry results include AMC as a separate entity.

Only Chrysler Corp. failed to improve on last year's second-quarter and first-half profits, as Ford Motor Co. reported record earnings and General Motors reported its best profitability since 1984.

The performances of both Ford and Chrysler — which reported their earnings last week — were adversely affected by a margin squeeze in the United States, directly related to competitive price pressure and retail incentives.

GM, which reported its earnings the previous week, said its profitability in the United States improved.

The Big 3 automakers had a combined net profit margin — net income as a percent of sales — of 5.75 percent in the second quarter compared with 5.45 percent in the same period last year.

Individually, only GM, which reported higher earnings as well as favorable accounting changes, improved its margin — to 5.04 percent in the second quarter from 3.67 percent last year.

Ford's second-quarter margin slipped to 7.43 percent from 7.68 percent last year. Chrysler's margin was 3.79 percent in the second quarter compared with 6.61 percent last year.

AMC, which was reported separately last year, had a 2.56 percent margin in the second quarter of 1987.

Chrysler Corp.

Chrysler reported lower profits on higher sales for the quarter. Its net earnings of $320.4 million ($1.45 a share) on sales of $8.45 billion in the second quarter compared with earnings of $424.1 million ($1.98 a share) on sales of $6.41 billion in the same period last year.

The company said that "conservative pricing" and "aggressive incentive programs" contributed to the earnings decline.

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AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

Parts firms see bonanza in light-truck boom

By Mary Klein
SPECIAL CORRESPONDENT

CHICAGO — A generation of compact trucks is aging, much to the delight of the automotive parts industry. Members of that industry gathered in seminars and at convention exhibits here, trying to calculate how best to tap the massive replacement and accessories market on the horizon.

New market opportunities overseas were also addressed by speakers at the Automotive Parts and Accessories Association show last week.

Participants filled the sessions in which experts predicted that booming light-truck sales into the 1990s will translate into a booming parts market.

By 1992, there will be 46.5 million light trucks operating in the United States compared to 33.3 million last year, predicted Judith Broseker, managing director of market research for the association.

"A General Battery study indicates that 82 percent of light-truck owners plan to buy some accessory or equipment for their trucks within the year," she said.

"Research has shown that vehicles in the three-to-10-year-old age group tend to receive more attention in terms of repairs, accessorizing and customizing than newer or older vehicles," she said.

In 1987, there were about 27 million light trucks aged three to 10 years, comprising 59 percent of the light-truck population. In the next few years, an average of 2.5 million light trucks will be added annually to that group, she said.

Yet concentrating solely on the domestic market may soon not be enough for parts makers and aftermarket suppliers.

To succeed in the future, the American automotive industry must learn how to sell its products and services worldwide, said Heinz Prechter, chairman and chief executive officer of ASC Inc.

The European market in particular could be lucrative for the American auto industry, he said. In 1992, the European Economic Community will lift all trade barriers among member countries and "theoretically become the biggest uniform economic unit in the world," he said.

To tap foreign markets, U.S. manufacturers "must forge business partnerships that are based on trust and designed to enhance the capabilities and opportunities for both parties," Prechter said.

For American firms, such partnerships would expand market opportunities, help offset fluctuations in the U.S. and world economies and create jobs.

The U.S. auto industry should take a lesson from the Japanese auto manufacturing firms, he said. Although the Japanese have been criticized for their aggressive export tactics, "any one of us in the same position would do the same; that is, identify a business opportunity and go for it."

The Japanese succeed, he said, because they understand the needs of American car buyers, continuously improve the quality of their cars and export high-quality, affordable cars to the

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Controversy cools; Chevy van deal moves ahead

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

A good deal of the early controversy surrounding Chevrolet's 1989-model van conversion program has subsided, and officials are beginning to implement the program.

Thomas Pfingst, Chevrolet assistant director of fleet sales and special vehicles, said new converters will be added to the consignment pool in waves of 10 or more.

Chevrolet has met with the first 13 companies being considered for admission. In mid-July, it sent letters to all Recreation Vehicle Industry Association members outlining guidelines for admission.

More than 60 non-consignment pool converters have submitted letters requesting admission, including 36 from Indiana and 21 from Georgia.

Pfingst said there is no firm limit on how many companies will be admitted.

Chevrolet officials are hoping to complete the selection process within a month.

Meanwhile, General Motors Acceptance Corp. will play a major role in Chevrolet's new program by taking over administration of the financial portion. That will provide benefits for both the converters and dealers.

With GMAC's involvement, bailment companies won't need letters of credit from their local financing sources to back the units they order. That will free their credit for other uses.

GMAC will handle wholesale financing of the van conversion units in much the same way it handles dealer floorplan financing. It will base bailment company charges on units in their current inventory, rather than on a worst-case scenario inventory level. Currently, converters must have a letter of credit, which costs them money, covering what they think would be their maximum inventory level.

A second advantage to dealers is that they can, if they choose, automatically add the price of the upfit packages or conversions to their floorplan costs.

Currently, dealers are automatically invoiced for the chassis, which goes on their floorplan charges, but they have to pay for the upfit package separately.

Normally, they either carry it on their open accounts or have to fill out a form asking GMAC to add it to their floorplan.

Under the new program, converters still have to pay an insurance fee. Insurance will be handled by Motors Insurance Co., a GMAC subsidiary, as part of the package.

Converters still have to provide financial statements and data to GMAC, whose representatives will visit each location and talk to them about their financial position.

Once a company is approved as financially sound and meeting other Chevrolet criteria for admittance to its bailment pool, the financial portion of the program for that company will be administered by GMAC at the local level with local branches working directly with the body companies.

GMAC is expected to become involved in the retail and wholesale phases of this market.

Chevrolet officials have been meeting with various concerned groups to explain their program and allay any fears it may have engendered.

They met in Elkhart, Ind., with a select group of 15 conversion pool members, as well as the mayor of Elkhart and a congressman's aide, to explain what they are doing.

Since Elkhart is an RV town, just as Detroit is an automotive city, Chevrolet officials were also interviewed about their program on local television.

And they are tentatively scheduled to meet with representatives of Georgia conversion companies in Detroit later this week to explain how converters in that state can get into the Chevrolet program if they meet the guidelines for admission.

Rivals watch Chevy plan, but no followers yet

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Fears like those recently expressed by a northeast Georgia state legislator that Chevrolet's new van conversion program could cost some 1,250 conversion-related jobs in the state appear to be unfounded.

Chevrolet officials have already reassured 21 Georgia converters they are all being considered for admission to its consignment pools.

And Chevrolet's major competitors have expressed no inclination to duplicate its program, although they will obviously be tracking its outcome carefully.

Recently, Georgia State Sen. Don Johnson, D-Royston, took note of Chevrolet's plan to sell its van bodies only to converters that belong to its bailment companies. He said Ford and Dodge might follow suit and that northeast Georgia's van conversion business and employment would suffer.

But Ford and Dodge officials expressed no intentions to do what Chevrolet is doing. Even GMC has not committed to any changes in its van conversion program.

In order to follow Chevrolet, Ford would have to open its consignment pool system to a lot of additional companies, said Jerome Mittma , Ford Division recreation vehicle sales manager.

"We feel our lineup of 60 van conversion companies in the consignment pool program is an efficient level of operation at the present time, and to go beyond that, we would start losing control over the process," Mittman added.

Jim Lynch, Chrysler manager of special vehicles, said, "We observed it (Chevrolet's program) and reviewed it and have not made any changes in what we're doing. We'll continue with business as usual.

"We totally understand what they are trying to achieve, and many of their objectives are sound. Our concern is for non-pool companies and how they will survive. We are not planning any changes for '89 in our method of distribution."

Lynch added that this year "retail demand is holding up, and there doesn't appear to be anything on the horizon that will pull it down. My biggest problem is getting vehicles to customers."

There's a potential for Chevrolet's competitors to pick up some spillover business as a result of its restricting chassis only to authorized consignment pool accounts.

Major converters obviously favor Chevrolet's program.

William Becker, vice president of marketing, advertising and consumer relations for Glaval in Elkhart, Ind., applauded Chevrolet's move. He called it a "dynamic step in terms of improving the products and the image generally of van conversions."

Recreational Vehicle Wholesale Deliveries

	May 1988	May 1987	% change	5 mos. 1988	5 mos. 1987	% change
Travel trailers	5,600	5,300	+ 5.7	29,000	29,500	– 1.7
Park Trailers	700	400	+75.0	3,300	2,700	+22.2
Travel trailers—fifth wheel	2,800	2,100	+33.3	14,200	11,400	+24.6
Folding camping trailers	3,700	3,800	– 2.6	19,300	18,300	+ 5.5
Truck campers	1,200	1,000	+20.0	5,000	4,700	+ 6.4
Towable RV total	14,000	12,600	+11.1	70,800	66,600	+ 6.3
Conventional (type A)	3,900	3,500	+11.4	18,100	16,900	+ 7.1
Van Campers (type B)	500	500	+0.00	2,200	2,800	–21.4
Chopped vans (all)	2,800	2,800	+0.00	11,800	12,600	– 6.3
Motor home total	7,200	6,800	+ 5.9	32,100	32,300	– 0.6
Van conversions	20,400	18,400	+10.9	86,700	81,500	+ 6.4
TOTAL ALL RVs	41,600	37,800	+10.1	189,600	180,400	+ 5.1

Source: Recreation Vehicle Industry Association.

RV wholesale shipments reach 10-year high for May, 5 months

Wholesale shipments of RVs climbed to their highest level in 10 years during May and in the first five months of this year.

Shipments of 41,600 RVs during May were up 10.05 percent from a year earlier, according to the Recreation Vehicle Industry Association.

Five-month shipments of 189,600 RVs were up 5.10 percent from last year.

Seasonally adjusted, May shipments increased 5 percent over April's and represented shipments of more than 440,000 units on an annualized basis, RVIA said.

Similarly, year-to-date totals have climbed to a seasonally adjusted annual rate of 430,000.

Van-conversion shipments totaling 20,400 in May were up 10.87 percent from last year, according to RVIA. For the first five months of calendar 1988, van conversion shipments totaled 86,700 and were up 6.38 percent from 1987.

The May level of consumer confidence, as measured by the University of Michigan's Survey Research Center, was up to 94.8, the highest level in more than a year.

During May, the four domestic van manufacturers shipped 21,700 van chassis with the seat-delete option to converters, up from 20,700 a year earlier.

For the first five months, domestic manufacturers shipped 90,700 seat-delete vans to converters, slightly below the 92,600 shipped in the 1987 period.

There has been a general shortage of van product for converters to work on. The shortage has been in full-sized vans, which account for the bulk of conversions.

Manufacturers shipped 4,800 compact vans to converters in May, up from 3,700 a year earlier. During the January-May period, they shipped 21,800 compacts to the conversion community, up from 16,700 last year.

Manufacturer shipments of standard-sized vans totaled 16,900 in May, slightly below 17,000 a year earlier. For five months, manufacturers shipped 68,900 full-sized vans to converters, off from 75,900 in the 1987 period.

502,244: *Exhibit space for Louisville show exceeds a half-million square feet*

RESTON, Va. — A total of 502,244 net square feet of exhibit space has been assigned for the Recreation Vehicle Industry Association's 26th annual National RV Trade Show in Louisville, Ky.

The show is scheduled for Nov. 29-Dec. 2.

Suppliers and manufacturers were assigned space at the national show through a drawing held at RVIA headquarters here.

All 54,500 net square feet of supplier exhibit space was sold out and assigned, according to Steve Krivian, chairman of RVIA's Louisville show committee and director of corporate marketing services for Thor Industries Inc., Jackson Center, Ohio.

A total of 233 suppliers will exhibit at 545 booths. RVIA's show department will accept waiting-list applications accompanied by 50 percent deposits. That space will be assigned from cancellations or added exhibit space, Krivian said.

A total of 447,744 net square feet of exhibit space was assigned to 97 manufacturers.

Due to heavy response to the space offering mailed in January, RVIA allocated space to manufacturers based on the amount of their contribution to the total revenue RVIA received in fiscal 1987 from membership dues and the purchase of seals and manufacturer certificates of origin.

Non-RVIA members and new members were limited to 1,000 net square feet under this allocation system.

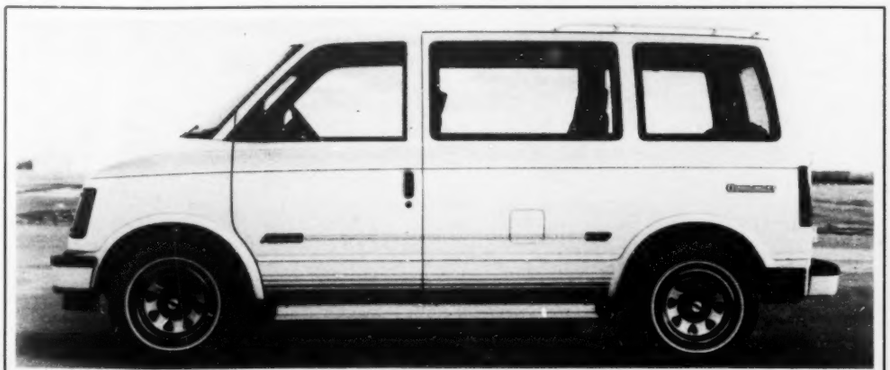
Approximately 6,000 net square feet of space is still available to manufacturers.

All exhibit space assignments were made through a lottery system established by RVIA.

Drawing first assignments among suppliers were: Fleming Sales Co., Elkhart, Ind., in the 11-plus booth category; Thetford Corp., Ann Arbor, Mich., in the 6-10 booth category; and Pull-Rite Towing Systems/Pulliam Enterprises Inc., Mishawaka, Ind., in the 1-5-booth category.

Drawing first assignment in the manufacturing category was Chateau Recreational Vehicles, Christiana, Pa.

The 1988 National RV Show, which will be held at the Kentucky Fair and Exposition Center in Louisville, is the RV industry's largest trade show. The show is expected to draw more than 12,000 RV dealers and industry officials. It is not open to the public.



Compliment introduces compact conversion
Compliment Vans, Camanche, Iowa, introduced this CS-7 M-van conversion for Chevrolet Astro and GMC Safari vans. Compliment said it seats seven people and stores a good deal of cargo, while offering a luxurious, comfortable ride. Compact van conversion shipments have been increasing, particularly with the general shortage of full-sized van chassis in the industry.